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SIPDIS

SENSITIVE

EB/TPP/ATT FOR PEREZ, EUR/ERA. E FOR SHUB STATE PASS USTR FOR NOVELLI USDA FOR FAS/OA/TERPSTRA AND SLUTSKY USDA FOR ITP/SHEIKH AND MACKE UNCLASSIFIED

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E.O. 12958: N/A

TAGS: EAGR ETRD IT ETRD IT WTOEAGR WTO

SUBJECT: BIOTECH: SUGGESTION FOR GETTING ITALY'S ATTENTION

11. (SBU) SUMMARY AND ACTION REQUEST. POST SEES AN OPPORTUNITY TO MOVE OUR AGRICULTURE BIOTECH AGENDA FORWARD BY LINKING IT TO THE GOI HIGH-PRIORITY GEOGRAPHIC INDICATOR (GI) AGENDA AND INVITES DEPARTMENT'S THOUGHTS ON SUCH A LINKAGE. THE GOI REGULARLY PREACHES THAT MORE THAN 200 PRODUCTS NAMED AFTER THEIR ITALIAN REGIONS OF ORIGIN (CHIANTI, PARMIGIANA, ETC.) SHOULD BE PROTECTED BY PRECLUDING COMMERCIAL USE OF THOSE NAMES ON PRODUCTS ORIGINATING ELSEWHERE. THE GOI AGGRESSIVELY SEEKS WHATEVER LEVEL OF USG SUPPORT ON GIS IT CAN GET IN THE CONTEXT OF THE FLEDGLING WTO SECTOR NEGOTIATIONS. ALTHOUGH THE GOI HAS NEVER LINKED GIS AND BIOTECH IN DISCUSSION WITH US, WE HAVE NOTICED RECENTLY A DISTURBING TENDENCY AMONG ITALIAN ANTI-BIOTECH FORCES TO PRESUME THAT BIOTECH CONTENT WOULD DISQUALIFY AN ITALIAN PRODUCT FROM ELIGIBILITY FOR "TRADITIONAL PRODUCT" STATUS OR GI PROTECTION. WE ARE EVEN MORE DISTURBED THAT THE AGRICULTURE MINISTER AND A LARGE PORTION OF THE PARLIAMENT SEEM TO ENDORSE THIS NOTION. POST PROPOSES TO DRAW HIGH-LEVEL GOI ATTENTION TO THE POTENTIAL CONFLICT OF USG AND GOI INTERESTS, ESSENTIALLY INFORMING THE ITALIANS THAT THE USG CAN HARDLY HELP THEM CREATE A PROTECTED MARKET ONLY TO CUT U.S. COMPANIES OUT OF IT. PARA SIX CONTAINS AN ACTION REQUEST. END SUMMARY AND ACTION REQUEST.

THE PROBLEM: THE ITALIANS ARE GLAD-HANDING US

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12. (SBU) FOR SEVERAL MONTHS MISSION HAS BEEN PERPLEXED BY THE GOI'S CONTINUED RELUCTANCE TO CONVERT PM BERLUSCONI'S POSITIVE BUT GENERAL COMMENTS ON BIOTECH INTO SUSTAINABLE POLICY CHANGES IN EITHER ROME OR BRUSSELS. WE CONCLUDE THAT THE GOI -- ALTHOUGH RECOGNIZING BIOTECH'S POTENTIAL TO FOSTER THIRD WORLD ECONOMIC DEVELOPMENT AND TO STIMULATE THE ITALIAN ECONOMY -- REMAINS UNCONVINCED THAT BIOTECH PROMISES THE KIND OF IMMEDIATE RETURN THAT WOULD JUSTIFY PAYING THE IMMEDIATE POLITICAL PRICE OF ANTAGONIZING AN ITALIAN PUBLIC THAT IS STILL VERY ANTI-BIOTECH. IN BRIEF, EVEN OSTENSIBLY PRO-BIOTECH ITALIAN OFFICIALS HAVE LARGELY SEEN THIS AS A USG ISSUE RATHER THAN A VISCERAL GOI CONCERN. ALTHOUGH SOME INDIVIDUAL GOI OFFICIALS TRULY WOULD LIKE TO CHANGE BIOTECH POLICY, THE OVERALL GOI APPROACH HAS BEEN TO PLACATE US.

THE OPENING: HELP US TO HELP YOU

13. (SBU) POST HAS RECENTLY SPOTTED A POTENTIAL OPENING

- 13. (SBU) POST HAS RECENTLY SPOTTED A POTENTIAL OPENING IRONICALLY BORN OF THE TENDENCY OF ANTI-BIOTECH FORCES HERE TO TAKE THE PLAYING FIELD FOR GRANTED. SOME MONTHS AGO BIOTECH OPPONENTS WITHIN PARLIAMENT INTRODUCED LEGISLATION THAT WOULD DISQUALIFY ANY ITALIAN AGRICULTURAL PRODUCT MADE EVEN IN PART WITH BIOTECH INPUTS FROM CONSIDERATION FOR REGISTRATION AS "TRADITIONAL" IN VARIOUS GOI PROGRAMS. NOTE. ON A NATIONAL LEVEL, SOME 3,000 ITALIAN PRODUCTS CARRY SOME VARIATION OF THE "TRADITIONAL" DESIGNATION OF WHICH SLIGHTLY MORE THAN 200 HAVE BEEN PUT FORWARD BY THE GOI FOR INTERNATIONAL GI PROTECTION. END NOTE. SINCE NO BIOTECH CROPS CAN BE COMMERCIALLY CULTIVATED IN ITALY ANYWAY, THE UNCLASSIFIED
- PAGE 04 ROME 01405 01 OF 02 191803Z LEGISLATION WAS LITTLE NOTED IN THE PRESS, QUICKLY GATHERED MORE THAN 200 SPONSORS IN PARLIAMENT, AND BROUGHT MINISTER OF AGRICULTURE ALEMANNO INTO ITS FOLD. THE BILL MORE RECENTLY SEEMS TO BE STUCK IN THE BYZANTINE WORLD OF THE ITALIAN LEGISLATURE BUT NOT BECAUSE OF ANY OPPOSITION OF WHICH WE ARE AWARE.
- 14. (SBU) IN AN OSTENSIBLY UNRELATED DEVELOPMENT, MINISTER ALEMANNO HAS RECENTLY CIRCULATED FOR GOI AND INDUSTRY COMMENT A DRAFT DOCUMENT ENTITLED "TRANSGENIC ORGANISMS AND AGRICULTURE: TIME FOR CHOICES." THE 37-PAGE DRAFT DOES NOT RENEW THE CALL TO PRECLUDE BIOTECH CONTENT FROM TRADITIONAL

ITALIAN PRODUCTS; IT SIMPLY STATES VARIOUS VERSIONS OF A PUTATIVE AXIOM HOLDING THAT "GENETIC POLLUTION" SHOULD NOT BE ALLOWED TO UNDERMINE THE "IMAGE IN THE WORLD HELD BY ITALIAN AGRICULTURAL PRODUCTS." ALEMANNO, LONG AN ADVOCATE OF THE MAINTENANCE OF A "GMO-FREE OPTION" FOR ITALIAN CONSUMERS, CLEARLY PRESENTS IN THIS DOCUMENT A VISION OF ITALIAN AGRICULTURE IN WHICH "TRADITIONAL" PRODUCTION FOREVER MEANS GMO-FREE.

15. (SBU) ALEMANNO'S BIOTECH DRAFT DOES NOT MENTION ITALY'S PURSUIT OF GI PROTECTIONS IN THE FLEDGLING WTO TALKS. THE MINISTRY OFFICIALS WHO WORK ON BIOTECH ARE NOT THE SAME

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CIAE-00 CTME-00 DODE-00 AIT-03 INFO LOG-00 AID-00 CEA-01 SRPP-00 EB-00 ITCE-00 EXME-00 E-00 UTED-00 VC-00 TEDE-00 FRB-00 INR-00 ITC-01 VCE-00 H - 01L-00 OPIC-01 AC-01 NSAE-00 NSCE-00 OES-01 OMB-01 PC-01 PM = 0.0ACE-00 SP-00 SSO-00 SS-00 STR-00 TEST-00 TRSE-00 USIE-00 FMP-00 PMB-00 DRL-02 G-00 SAS-00 /013W

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P 191719Z MAR 02
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 2837
INFO WORLD TRADE ORGANIZATION COLLECTIVE
AMCONSUL FLORENCE
AMCONSUL MILAN
AMCONSUL NAPLES
USDA FAS WASHDC 2059
USDA WASHDC
USDOC WASHDC

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PEOPLE WHO WORK ON GI PROTECTION. DURING A MARCH 13 LUNCH, ANGELA MILANO, A SENIOR MOA AGRICULTURE NEGOTIATOR WHO WILL PARTICIPATE IN THE WTO AGRICULTURE TALKS IN GENEVA, REFERRED ECONOFF TO THE OFFICE OF UNDERSECRETARY AMBROSIO TO DISCUSS USG BIOTECH CONCERNS. ECONOFF REPLIED THAT THE EMBASSY HAS NO PROBLEM GAINING ACCESS TO GOI OFFICIALS WORKING ON BIOTECH BUT WONDERS WHETHER THOSE OFFICIALS REALIZE THEY MAY BE WORKING AT CROSS-PURPOSES WITH OFFICIALS WORKING ON THE WTO TALKS. ECONOFF EXPLAINED THAT USG SUPPORT FOR GI PROTECTION ALREADY SOMEWHAT PROBLEMATIC WITH REGARD TO SOME PRODUCTS WITH NAMES THAT ARE WELL-KNOWN IN THE U.S. MARKET AND WHICH COINCIDENTLY DERIVE FROM FOREIGN PLACE NAMES -- COULD BE HARD TO COME BY IF THE PRODUCTS TO BE PROTECTED WERE REQUIRED TO BE BIOTECH FREE. ALLOWING THAT FEW PRODUCTS IN ITALY CARRYING "TRADITIONAL" LABELS NOW CONTAIN BIOTECH INPUTS, ECONOFF SAID THAT COULD WELL CHANGE IF AND WHEN ITALY OPENS ITS MARKET TO BIOTECH PRODUCTS; BIOTECH MAY EVEN HELP SAVE SOME TRADITIONAL PRODUCTS. NOTE. PRO-BIOTECH ELEMENTS HERE OFTEN CITE, FOR EXAMPLE, THE POTENTIAL OF BIOTECHNOLOGY TO SALVAGE THE VIRUS-BESIEGED SAN MARZANO TOMATO, A PRODUCT THAT IS BOTH DESIGNATED AS TRADITIONAL ON THE NATIONAL LEVEL AND PUT FORTH FOR GI PROTECTION INTERNATIONALLY. END NOTE.

16. (SBU) MILANO HAD NEVER CONSIDERED THE POTENTIAL LINK BETWEEN HER GI WORK AND BIOTECH. NEITHER, WE CAN SAFELY SAY, HAS MINISTER ALEMANNO. POST SUGGESTS BRINGING THE LINKAGE TO UNCLASSIFIED

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THE ATTENTION OF SELECTED SENIOR GOI OFFICIALS TO INCLUDE
ALEMANNO, DEPUTY MINISTER FOR FOREIGN TRADE URSO, SENIOR
STAFF TO PM BERLUSCONI, AND SENIOR STAFF AT ITALY'S WTO
OFFICE IN GENEVA. TO AVOID LIMITING USG OPTIONS DURING THE
WTO TALKS, WE PROPOSE TO SIMPLY RAISE THE POTENTIAL CONFLICT
RATHER THAN TO THREATEN A WITHHOLDING OF USG SUPPORT FOR
ITALY'S GI AGENDA. SUGGESTED TALKING POINTS TO BE LEFT WITH
THE GOI AS A NONPAPER FOLLOW IN PARA EIGHT. ACTION REQUESTS
GIVEN THE COMPLEXITY OF THE WTO TALKS, MISSION REQUESTS
DEPARTMENT'S ENDORSEMENT OF THIS PROPOSAL. END ACTION

- 17. (SBU) IN ADDITION TO RAISING THE BIOTECH-GI LINK WITH MOA'S MILANO, WE HAVE FLOATED THE IDEA WITH ASSOBIOTEC, ITALY'S PRIMARY PRO-BIOTECH LOBBYIST. THE GROUP ENTHUSIASTICALLY ENDORSES THE IDEA OF PRESENTING THE CONCERN TO THE GOI AS A POTENTIALLY POWERFUL MEANS OF GAINING ITS ATTENTION.
- 18. SUGGESTED TALKING POINTS
- -- THE USG WOULD LIKE TO SUGGEST THAT ONE OF THE USG HIGHEST TRADE CONCERNS HAS A POTENTIAL DIRECT CONNECTION TO ONE OF ITALY'S PRIORITY TRADE CONCERNS.
- -- I AM SPEAKING OF OUR INTEREST IN BIOTECHNOLOGY AND YOURS IN PROTECTION FOR GEOGRAPHIC INDICATORS.
- -- ALTHOUGH FEW ITALIAN PRODUCTS DEEMED "TRADITIONAL" OR PUT FORWARD BY ITALY FOR INTERNATIONAL GI PROTECTION HAVE ANY BIOTECH CONTENT, THAT NEED NOT ALWAYS BE THE CASE. UNCLASSIFIED
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- -- AS EUROPE GENERALLY AND ITALY IN PARTICULAR BEGIN TO OPEN THEIR MARKETS TO BIOTECH PRODUCTS, ITS EASY TO SEE THAT THOSE PRODUCTS WILL BE PUT TO A WIDE VARIETY OF USES.
- -- ITALIAN SCIENTISTS ALREADY SUGGEST THAT BIOTECH PRODUCTS MAY NOT JUST BE INCORPORATED INTO TRADITIONAL ITALIAN PRODUCTS BUT MAY EVEN SAVE SOME PRODUCTS, SUCH AS THE SAN MARZANO TOMATO, FROM EXTINCTION. SOME OF THAT BIOTECHNOLOGY WILL COME FROM ITALY'S OWN SCIENTIFIC COMMUNITY AND SOME WILL BE IMPORTED.
- -- WE HAVE NOTED WITH CONCERN THAT FUZZY-THINKING ANTI-BIOTECH ELEMENTS IN ITALY ARE LOOKING TO PERMANENTLY PRECLUDE BIOTECH CONTENT IN TRADITIONAL ITALIAN PRODUCTS.
- -- AMONG OTHER REPERCUSSIONS, SUCH A DEVELOPMENT MAY WELL LIMIT THE EXTENT TO WHICH THE USG COULD SUPPORT ITALY'S DESIRE TO AFFORD WORLD TRADE ORGANIZATION PROTECTION FOR PRODUCTS BEARING GEOGRAPHIC INDICATORS.
- -- AFTER ALL, WE CAN HARDLY HELP ITALY CREATE A PROTECTED MARKET NICHE ONLY TO IMMEDIATELY CUT U.S. COMPANIES OUT OF IT. SEMBLER

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